Headquarters U.S. Air Force

Integrity - Service - Excellence

Transition Phase

U.S. AIR FORCE

Lt Col Ben Wham, P.E.

AF/ILEHM

Or…I Can See The Finish Line, but Its 2 Miles Straight Uphill!

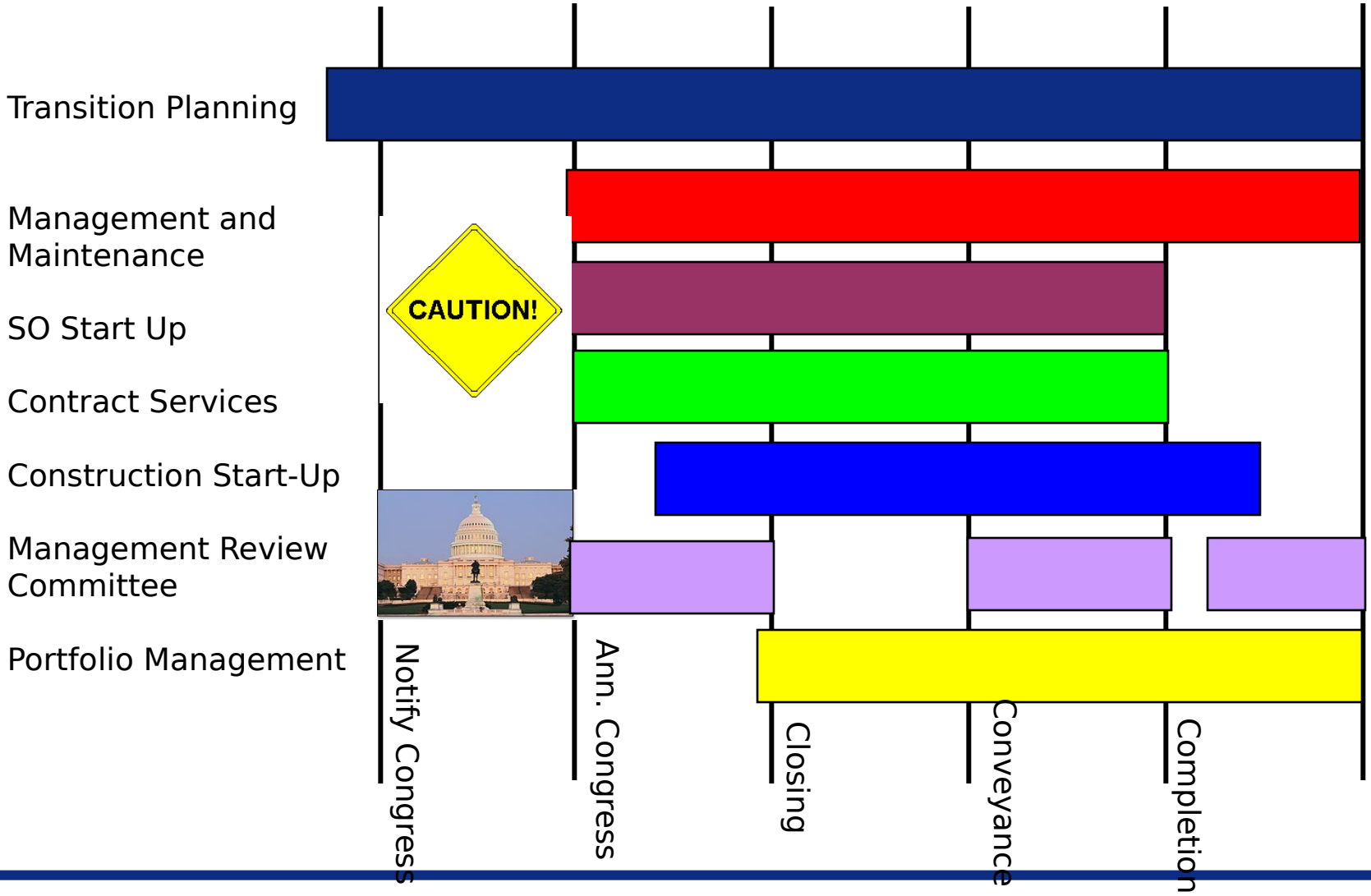
Lt Col Ben Wham, P.E.

AF/ILEHM

Overview

- Transition Planning Milestones
- Rules for Transition
- Transition Team
- Wham's Three Rules
- Summary

Notional Transition Planning Schedule



U.S. AIR FORCE

Transition Planning Milestones

- **Transition is a series of events**
  - **Notifying Congress of the selection of a Successful Offeror (SO) and intention to award (45 Day Period)**
  - **Formal Congressional Approval signifies approval of the selection (not the selectee) and gives the "go ahead" to proceed with the transaction closing**
  - **Transaction Closing marks the transaction document signing and transfer of housing management responsibility from the Air Force to the SO**

U.S. AIR FORCE

Transition Planning Milestones

- **Transition is a series of still more events**
  - **Property Conveyance marks the point when the SO assumes responsibility for the conveyed units and leased/conveyed property. Typically, closing and conveyance occur simultaneously**
  - **Transition Completion marks the point when MAJCOM delegates long-term management responsibility to AFCEE. AFCEE Portfolio Management continues for the life of the 50 year property lease**
  - **First Occupancy marks the point when military occupants move into privatized housing units**

U.S. AIR FORCE

New Transition Policies (These are BIG!)

- NO approval for final selection until 45 day congressional notification period expires
- The selected developer and AF can work towards finalizing the closing documents and other "non-involving" transactions
- Developer WILL NOT disclose ANY information concerning his selection outside of his business and our organization
  - If he does he will declared nonresponsive and the offer will go the next competitive offeror or the project will need to be resolicited!
- No announcements of winners, town hall meetings, leases signed, or anything else that would indicated to the general public that we have selected a firm
- Developer must understand that there is a risk that things could change as the result of the congressional notification.
- No government expenditures or commitments of any kind should be made until the congressional notification is complete.

U.S. AIR FORCE

What can I do?

- **Collect Data For the SO**
  - **Waiting list**
  - **Property maintenance history**
  - **GOQ cost reports!!**
- **Review the Developers Plans**
  - **Unit Occupancy Plan**
  - **Real Estate Ops and Mgt Plan**
  - **Facilities Maintenance Plan**
  - **Capital Repair and Replacement Plan**
  - **Construction Management Plan**

U.S. AIR FORCE

What else can I do?

- Train and educate those involved
- Set up the MRC
- Set up the town hall and community meeting
- Identify facilities, workspace, support requirements
- Develop tenant briefing including:
  - Assignment policies
  - Utility payment procedures
  - Property insurance
  - Lease requirements
  - Grievance policies and procedures…and more

U.S. AIR FORCE

Hints For Managing The Change Successfully

- **Purpose**
  - **Define for internal and external constituents**
  - **ID current and end state with the benefits**
- **Leadership**
  - **Involve in strategy decisions and status meetings**
  - **Use the Wing/CCs staff meeting to communicate status, educated commanders leads to educated troops**
- **PSC**
  - **Paid to ensure AF closes while receiving the "Best Value"**
  - **Probably done this a couple of times before**

U.S. AIR FORCE

More Hints For Managing The Change Successfully

- **Communication**
  - **Clearly, frequently and repetitively**
  - **Devise a plan and use multiple channels**
  - **Develop a plan for dealing with resistance**
  - **Deliver new news quickly and KILL Gossip**
- **Evaluation**
  - **Use the PSCs, they can make it happen**
  - **Use events and milestones to measure progress**
  - **Track schedule to show project status**
  - **Use checklists and resources**
  - **Develop a contingency plan**

U.S. AIR FORCE

….And Even More Hints

- **Resources Available**
  - **Grab the execution guide, it has some great checklists**
  - **AFCEE, MAJCOM, and other installations personnel**
  - **Information technology tools (i.e., templates, databases, generic documents)**
- **Training**
  - **AFIT 445: Privatized Housing Management, NDC courses, AFCEE training, etc**
  - **Seminars and conferences**
  - **Lessons Learned**

U.S. AIR FORCE

Transition Team

- Acquisition Support Team
- PSC
- SO Team
- Private Lender
- SAF/GCN
- AFCEE/JA
- MAJCOM/JA
- Base-Level/JA
  - (Did anyone say Lawyer!?)

U.S. AIR FORCE

Management Review Committee

- **MRC is a project review authority, <u>not an approval authority</u>! The MRC reviews include:**
  - **Tenant satisfaction surveys**
  - **Recommendation for new amenities funded by Reinvestment Account**
  - **Occupancy rates**
  - **Changes in utility rates**
  - **Performance measures (if applicable)**
- **Installation determines MRC membership, but should include developer and installation commander or designee**
- **Approval levels modeled on AFI 32-6002 coming soon!**

U.S. AIR FORCE

Wham's 3 Closing Rules

- **Things will go wrong…be prepared!**
  - **First time a lot of the participants have had the opportunity to talk to each other and you**
  - **Warning…participants include a number of lawyers… prepare yours**
- **Flexibility and education are the key**
  - **Many participants may not understand how we do business—educate them….NICELY!**
  - **Articulate AF, MAJCOM, and Installation goals upfront**
- **Instant communication is key to a successful closure**
  - **Bring in "the B-52's" if you perceive things are starting to slip away**

Wham's 3 Transition Rules

U.S. AIR FORCE

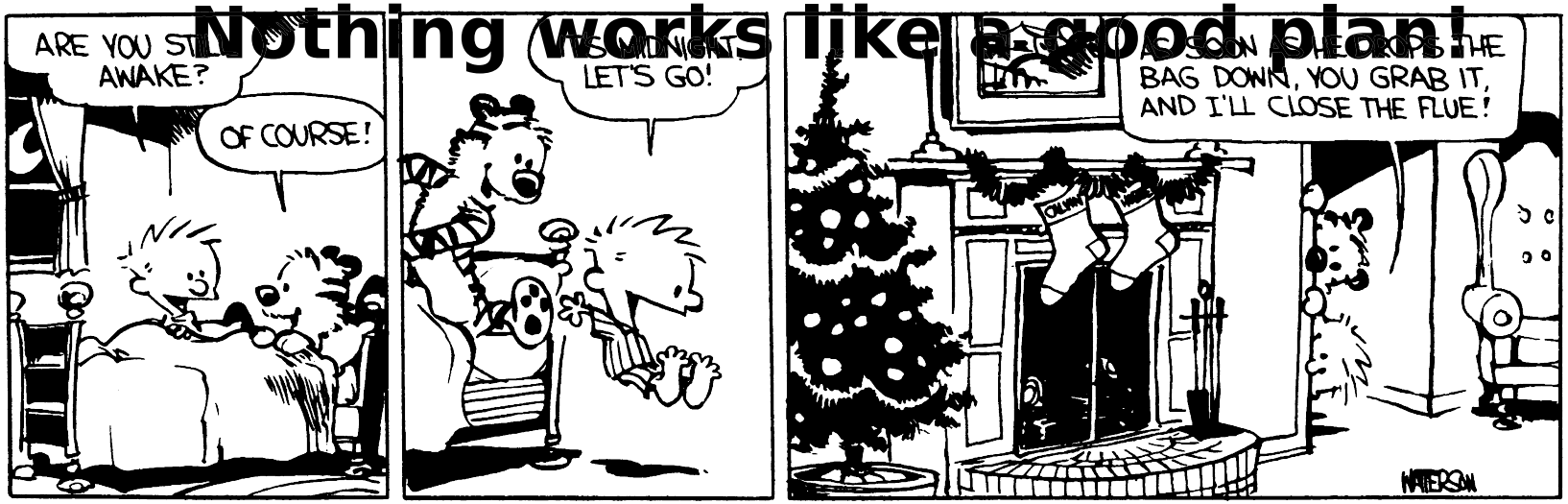
- **Things will go wrong!**
  - **May be first time management team has dealt with the military… educate them NICELY, they should be around for a while**
  - **Modify your Housing Maintenance contract to support transitioning active work and, if possible, materials**
- **Prepare key base units for transition**
  - **Security Forces, Comptroller, Contracting, Services, PA and others have key roles. Keep them in the loop!**
  - **Treat everything as Source Selection Sensitive**
- **MOST IMPORTANTLY…It may go from being the AF's to the Developer's house….but it is <u>still</u> the resident's lives**
  - **Keep them informed to the MAXIMUM extent possible**
  - **Use the Physical Condition Survey as the opportunity for a little one-on-one public relations**

U.S. AIR FORCE

Summary

- **A successful transition is key to a successful deal**
- **Preparation, communications and education are key to a successful transition**
- **Things will go wrong, if they haven't…they will, BE PREPARED and FLEXIBILE**

Nothing works like a good plan!



U.S. AIR FORCE

Bottom Line

Keep the Airmen and their families in mind when privatizing housing!

Contact Information

Questions?

U.S. AIR FORCE

Lt Col Ben Wham, P.E.
AF/ILEHM
(703) 604-4036
DSN 664-4036
(703) 604-2484 Fax
Ben.wham@pentagon.af.mil